



Florida Accountancy Laws and Rules Examination 2007



Form A

TEST BOOKLET

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INTERNET TESTING IS AVAILABLE!

BENEFITS TO YOU:

- Test at your convenience
- Quick and easy to use
- Immediate results
- Update your address information electronically

ABOUT THE INTERNET “FORM A” EXAM:

You will need your entire license number and the password you were assigned in the Reminder to Test letter you received in May. *If you did not receive a “Reminder to Test” letter, you may access CPS’ automated password retrieval system by dialing 916-263-3624, select Option 2.*

If you would like to save “on-line” time, first fill out your answer sheet before accessing the Internet exam. You are then ready to transfer the answers from your answer sheet to the Internet exam for grading and immediate results!

OBTAINING YOUR INTERNET TEST RESULTS:

- When you have reviewed and answered ALL questions, simply press the “*Click Here to Submit your Answers*” button.
- After submitting your examination answers, your “on-line” score report will be displayed on your screen for printing. **BE SURE TO PRINT AND RETAIN A COPY OF THIS “ON-LINE” SCORE REPORT FOR YOUR RECORDS.**
- If you fail the internet exam, a hardcopy of Form B will automatically be mailed to your address on record within two weeks. There is no need to call CPS to request Form B.

INTERNET INSTRUCTIONS:

Go to <http://www.myfloridacpa.gov>. Please read the entire page before you select “*Click here*” to BEGIN your test.

Enter your license number, **INCLUDING ANY LEADING ZEROS, AND THE “AC”, “F”, “R”, or “ACR” PREFIX**, if applicable. Then enter your password you were assigned in the Reminder to Test letter you received in May. (This password is different from your DBPR password or PIN.) In the example below, the license number is AC0012345 and the password is WF12UK.

License No: AC0012345 Password: WF12UK

The change of address form will then be displayed. If your address has changed, please enter any changes and click on the **“SUBMIT”** button. **Special Note: In addition to this test website, you MUST contact the Board of Accountancy to change your address in the database of the Department of Business and Professional Regulation. See instructions in Paragraph #8 below.**

After amending your change of address, the internet exam will then be displayed. Please be sure to read each examination question carefully. Each question will have four (4) answer options. Select the **BEST** answer according to the Laws and Rules of the Board of Accountancy.

Click the button (circle) beside the correct answer to the question. You will **ONLY** be allowed one answer for each question. Any question that is **NOT** answered will be scored as **INCORRECT**.

If you want to change an answer to a question you have already completed, click **ANOTHER** button (circle) and the answer will be changed to your **NEW** selection. As you finish each question, make sure the answer you believe is **CORRECT** is the one selected.

There are a total of 25 questions that you need to answer. The test page will include all 25 questions. Do **NOT** press “Click Here to Submit Your Answers” until you are ready to submit your answers. You will **NOT** be allowed to change any answers once they have been submitted. Only submit your answers when you are **COMPLETELY** through with the questions and have checked your answers.

Your internet test will be scored once you have submitted your answers in pressing the “*Click Here to Submit Your Answers*” button. The grading process may take a moment. Your internet grade report will then be displayed on the screen. **PLEASE BE SURE TO PRINT AND RETAIN A COPY OF THIS SCORE REPORT FOR YOUR RECORDS.** If you fail this internet exam, you will automatically receive Form B in the mail within two weeks.

If you are **not** completing the examination on-line, your answers to the Accountancy Laws and Rules Examination questions **must** be marked on the enclosed answer sheet. If your answer sheet is missing, contact CPS Human Resource Services at 916-263-3624, select Option 2. It is imperative that all necessary information and answers be recorded on the answer sheet according to the directions. **Use only a No. 2 pencil** to record your answers. You **must** submit the enclosed answer sheet for grading. Photocopies and/or facsimiles will **NOT** be accepted.

Your examination has 25 questions. Answer the questions by filling in the sets of circles labeled 1-25 on the answer sheet. If your booklet does **not** have 25 questions, contact CPS Human Resource Services at 916-263-3624, select Option 2 for a new examination booklet.

You may keep your examination booklet and Laws and Rules booklet when you have completed the exam. We recommend that you retain a copy of your completed answer sheet. **If you wish an acknowledgment receipt of your answer sheet, send it by certified mail, return receipt requested.** As with the CPA examination, questions about the examination content **cannot** be answered.

DO NOT CALL THE BOARD OR CPS HUMAN RESOURCE SERVICES IF YOU HAVE QUESTIONS ABOUT THE EXAMINATION CONTENT. CPS CANNOT ANSWER QUESTIONS REGARDING TEST CONTENT. As is customary in certification testing, CPS maintains a policy that we do **not** provide candidates with justification for the correct response to any of the questions on the test. However, you may send input, in writing, to CPS and it will be shared with the CPS item writing committee and examination development staff with the Department of Business and Professional Regulation.

1. License Number

[illegible]

2. Print Last Name First

[illegible]

3. Answering Questions 1 - 25

Read each examination question in this booklet carefully. Each question will have four (4) answer options. Select the **BEST** answer according to the Laws and Rules of the Board of Accountancy.

Identify the question number and locate the corresponding number on the answer sheet. Darken the circle that matches the letter for the option you selected as the **CORRECT** answer to the question.

For example, for Question 2 you choose Option C as the correct answer. Darken the correct circle on the corresponding line:

2. (A) (B) (C) (D)

You will **ONLY** be permitted one marked answer for each question. Any question with **MORE** than one mark will be scored as **INCORRECT**. Any question that is **NOT** answered will be scored as **INCORRECT**.

If you want to change your answer to a question, **COMPLETELY** erase the mark that you have made and then mark the **NEW** answer. If the first mark is **not** completely erased, your initial option may be scored.

- Do **NOT** make any stray marks on the answer sheet. Make sure each circle you darken is **COMPLETELY** filled.
- Do **NOT** staple or tear the answer sheet.
- Do **NOT** do anything to the answer sheet that alters its structure.
- Any alteration of the sheet may result in electronic scoring failure.

4. Signature/Date

Sign your name and indicate the date that you completed the examination. You may sign in ink if you prefer. **It is mandatory that you sign to affirm that you have completed the examination without assistance from other individuals.** It is a violation of Chapter 473.323, F.S., to file a false report with the Board of Accountancy.

5. Answer Sheet

After you have answered all 25 questions, mail the answer sheet in the return envelope provided with your materials. Make sure your name and license number have been **CORRECTLY** filled out. Make sure that you have **SIGNED** your answer sheet in the space provided and that you have **DARKENED** your response bubbles accordingly.

6. Mailing Address

The answer sheet **MUST** be mailed in the enclosed envelope and postmarked before December 31, 2007. **DO NOT SEND YOUR CPE REPORTING FORM WITH YOUR ANSWER SHEET**. If the return envelope is missing, mail the answer sheet to the address shown below. You **MUST** send the original answer sheet. Photocopies will **NOT** be accepted. We recommend that you keep a copy of your answer sheet for your records. **If you wish an acknowledgment receipt of your answer sheet, send it by certified mail, return receipt requested. Mail your answer sheet to:**

CPS Human Resource Services
Attn: Florida Board of Accountancy Project
241 Lathrop Way
Sacramento, CA 95815

7. Test Results

CPS electronically scores answer sheets weekly. Once your answer sheet is scored, you will be sent a letter with your grade report results. **Please keep this letter for your records**. The Department of Business and Professional Regulation downloads grade report scores from the CPS website. Your grade report scores will be posted on the MyFlorida Website (<https://www.myfloridalicense.com/Default.asp>) within two weeks.

8. Change of Address

If you have a change of address, please complete the form on the back of the answer sheet. Please fill it in with your **CORRECT** address. **THIS ADDRESS WILL BE USED BY CPS TO MAIL YOUR GRADE REPORT RESULTS.**

In addition, you **MUST** contact the Board of Accountancy to change your address in the database of the Department of Business and Professional Regulation. Their address is:

Florida Board of Accountancy
Attn: Change of Address
240 NW 76th Drive, Suite A
Gainesville, FL 32607

9. Concerns

If you have any concerns, please contact CPS Human Resource Services:

Phone: 916-263-3624, select Option 2

Email: FLORIDACPA@CPS.CA.GOV

Fax #: 916-561-7239

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1. The Department of Business and Professional Regulation may reinstate a Certified Public Accountant's license that has become void when the
 - A. licensee's accounting practices are inactive due to retirement.
 - B. licensee has made a good faith effort to comply with Board of Accountancy requirements, but has failed to do so because of illness or unusual hardship.
 - C. licensee pays a penalty fee for late completion of continuing education requirements.
 - D. licensee provides complete records of all business activities during the inactive time period.

References:

455.271(6) (b), F.S.

473.313(4), F.S.

2. Sally, a Florida Certified Public Accountant whose license has been inactive for two years, has recently moved from California back to Florida. Sally has paid all additional licensure fees necessary to equal those imposed on an active status licensee, and she has paid all applicable reactivation fees as set forth by the Florida Board of Accountancy. Has Sally met all that is necessary to become an active Florida Certified Public Accountant licensee?
 - A. Yes, she has paid all the necessary penalties.
 - B. Yes, but she must agree to remain active for at least six months.
 - C. No, she needs to complete all continuing education requirements.
 - D. No, she must pay an additional delinquency fee that equals the biennial renewal fee, plus a \$25 processing fee.

References:

455.2177(2), F.S.

473.311, F.S.

3. According to Chapter 473, Florida Statutes, which of these activities falls within the scope of practicing public accountancy?
- A. any services provided by the American Institute of Certified Public Accountants (AICPA)
 - B. consulting services provided by any person who is a retired Certified Public Accountant
 - C. the expression of an opinion regarding the reliability of an assertion by one party for use by a third party
 - D. the attestation as a non-expert in accountancy to the reliability or fairness of presentation of financial information

References:

473.302(7), F.S.

4. A Certified Public Accountant is assembling financial statements for a client. What is required in order for the CPA to perform this service?
- A. a transmittal letter that includes the CPA's name and license number
 - B. a written or verbal understanding specifying the services to be performed
 - C. a written disclosure statement verifying the qualifications of the lead accountant performing the services
 - D. a written statement explaining that assembled financial statements are prepared with an expression of opinion or assurance

References:

61H1-20.0053(5) & (8), F.A.C.

5. Jeff is a CPA from California who has recently moved to Florida. Can Jeff obtain a temporary license to perform accounting services via electronic means for a local firm?
- A. Yes, provided the application is submitted on the date of engagement.
 - B. Yes, as long as Jeff will **NOT** be involved with Federal tax matters.
 - C. No, Jeff **CANNOT** perform any accounting services via electronic means with a temporary license.
 - D. No, Jeff must first obtain written consent from the Department of Business and Professional Regulation and pay a \$450 license fee prior to engaging in any accounting services.

References:

61H1-29.0025, F.A.C.

6. Before an application for licensure by endorsement will be accepted by the Department of Business and Professional Regulation, the applicant must
- A. prove that all college courses taken meet the initial continuing professional education requirements.
 - B. have at least five years experience in the practice of public accounting while licensed as a Certified Public Accountant.
 - C. have satisfied all continuing education requirements for the three years immediately preceding the filing of the application.
 - D. have satisfied all continuing education in another state that is equivalent to Florida's continuing education requirements for the preceding year.

References:

61H1-29.003, F.A.C.

7. Kristi needs to complete a four-hour continuing professional education ethics requirement. How can Kristi meet this requirement?
- A. first take her Accountancy Laws and Rules Examination
 - B. obtain a certificate from each provider for every hour of training received
 - C. complete the four-hour education requirement in two modules, if it is with the same provider
 - D. complete the requirement in two modules, if it is administered by the Florida Board of Accountancy

References:

61H1-33.0031(3), F.A.C.

8. What may the Board of Accountancy do if a CPA ethics course provider fails to provide appropriate continuing education services?
- A. suspend the provider's license for three years
 - B. rescind any certificate submitted by the provider until the ethics course material is revised and amended to comply with CPE guidelines
 - C. require the provider to pay a \$450 penalty fee
 - D. require the provider to cease and desist from offering the ethics courses and request the Department of Business and Professional Regulation to revoke approval of the ethics course provider

References:

61H1-33.0032(4), F.A.C.

9. A CPA ethics course provider must reapply for approval of status to prevent a lapse in status within at least how many days prior to the date of expiration of provider status?
- A. fifteen (15) days
 - B. thirty (30) days
 - C. sixty (60) days
 - D. ninety (90) days

References:

61H1-33.00341(3), F.A.C.

10. While acting in a corporate finance consulting role, which non-attest activity will impair a licensee's or firm's independence?
- A. maintaining custody of client securities
 - B. assisting in drafting an offering document or memorandum
 - C. acting in an advisory capacity in transaction negotiations
 - D. assisting in identifying or introducing the client to possible sources of capital that meet the client's specifications or criteria

References:

61H1-21.001(1), F.A.C.

11. Which of these events would require a firm to file a written notification with the Department of Business and Professional Regulation?
- A. termination of an employee
 - B. change in the name of the firm
 - C. change in the software vendor that the firm uses to prepare tax returns
 - D. addition of a new client that will comprise over 50% of the firm's business

References:

61H1-26.004(1) (d), F.A.C.

12. Victor, a Florida CPA, has received a request from Jeri, a former client, for return of her accounting records. What is the CORRECT action for Victor?
- A. **NOT** supply Jeri with the documents
 - B. make photocopies of the documents for Jeri and keep the originals on file
 - C. supply Jeri with the requested accounting records within a reasonable time
 - D. inform Jeri that she must submit a written request before he can release the documents

References:

61H1-23.002 (1), F.A.C.

13. Velasquez is one of three owners of the accounting firm Robinson, Juarez, & Velasquez, CPAs. Robinson, one of the co-owners, has recently passed away and Juarez, the other co-owner, has recently retired. Can Velasquez continue to use the current name of Robinson, Juarez, & Velasquez, CPAs for the accounting firm?
- A. Yes, because it is perfectly legal and acceptable.
 - B. No, because it is against the law to maintain the names of deceased or retired owners of a firm.
 - C. Yes, provided that Robinson and Juarez had given him written consent to continue to use their names upon their death or retirement declarations.
 - D. No, if Robinson and Juarez verbally expressed to him that they did **NOT** want their names being used upon their death or retirement declarations.

References:

61H1-26.001(1) (b), F.A.C.

14. In fulfilling the required 36 semester or 54 quarter hours of accounting courses above the elementary level, internship hours will **NOT** be more than how many semester hours or how many quarter hours respectively?
- A. 2; 3
 - B. 3; 4
 - C. 4; 6
 - D. 5; 7

References:

61H1-27.002(2) (a), F.A.C.

15. Kimo, who followed appropriate instructions in acquiring a hard copy packet, has completed his Florida Accountancy Laws and Rules Examination and now wants to submit his bubbled scan sheet. To be accepted by the Department, Kimo's scan sheet must be postmarked **NO** later than
- A. June 30th.
 - B. July 15th.
 - C. September 15th.
 - D. December 31st.

References:

61H1-31.001(9), F.A.C.

16. When a CPA receives a Notice of Non-Compliance for a minor violation from the Board of Accountancy, the CPA has fifteen (15) days to
- A. take corrective action.
 - B. dispute the notice of violation.
 - C. acknowledge, in writing, receipt of the notice.
 - D. petition to have the compliance deadline extended.

References:

61H1-36.0055, F.A.C.

455.225(3) (a), F.S.

17. Robin earned an accounting degree from an accredited university, but some of the courses used to qualify her as an accounting major were taken at a two-year, non-accredited institution. For the purpose of obtaining a CPA license, the Board of Accountancy will accept courses
- A. relating to lower division general business.
 - B. equivalent to those from another accredited university.
 - C. included on her official transcript from the accredited university.
 - D. supplemented with course work in the same subject matter at the accredited university.

References:

61H1-27.001(4), F.A.C.

18. Alex, a CPA, lives at 55 Curtis Lane and has just purchased a Post Office Box. Alex is
- A. allowed to use the Post Office Box as his sole address.
 - B. **NOT** required to change his mailing address to the Post Office Box, but if he does, he must do so within 60 days.
 - C. **NOT** required to use the Post Office Box as a mailing address, but if he does, he will be required to include his street address.
 - D. required to notify the Board of Accountancy and change his mailing address to the Post Office Box within 60 days.

References:

61H1-26.005(1) & (2), F.A.C.

19. Mary was engaged by Acme Corporation to prepare Acme's 2006 income tax return. Prior to issuing the tax return to Acme, Mary withdrew from the engagement. Regarding the return of records or documents to the client, Mary
- A. is **NOT** required to return any records or documents.
 - B. is **ONLY** required to return documents received from the client.
 - C. is required to return any work papers reconciling the tax return to the client's records.
 - D. must return the client's records, but **ONLY** after all outstanding invoices have been paid.

References:

61H1-23.002(1), F.A.C.

20. Givens and Associates, a Georgia CPA Firm, currently employ Jake, a Georgia CPA. Martin Corporation, a Florida firm, has engaged Givens and Associates to perform a variety of accounting services. What is Givens and Associates **NOT** required to perform on behalf of Martin Corporation?
- A. pay an annual fee of \$1,200 to provide services
 - B. send names of all out-of-state employees expected to provide services for Martin Corporation
 - C. provide a statement to the Board of Accountancy indicating Givens and Associates does **NOT** operate an office in Florida
 - D. obtain a temporary license if Givens and Associates expects Jake to provide accounting services for Martin Corporation

References:

61H1-29.002(4), F.A.C.

61H1-29.002(3) (b), F.A.C.

21. On October 1st, Lana, a Florida CPA, moved from Tampa to Orlando. Lana
- A. must notify the Board of Accountancy of her move **NO** later than October 31st.
 - B. must notify the Board of Accountancy of her move **NO** later than November 30th.
 - C. must notify the Board of Accountancy of her move **NO** later than December 31st.
 - D. does **NOT** need to notify the Board of Accountancy of her move, because she still resides in Florida.

References:

61H1-26.005, F.A.C.

22. Martin, a Florida CPA, completed his CPE reporting form on May 31st. How many days does Martin have to mail the completed form to the Board of Accountancy before being assessed a late penalty?
- A. 30
 - B. 45
 - C. 60
 - D. 90

References:

61H1-31.001(10), F.A.C.

23. Larry, a Florida CPA, is unable to complete his CPE requirements by June 30th. According to Board of Accountancy rule, Larry will
- A. have his license placed on inactive status until he completes his CPE requirements.
 - B. be required to apply for an extension, but will **NOT** have to complete additional CPE hours.
 - C. receive an automatic extension until September 15th, but will have to complete eight (8) additional CPE accounting-related and/or auditing-related hours.
 - D. receive an automatic extension until December 15th, but will have to complete twenty-four (24) additional CPE accounting-related and/or auditing-related hours.

References:

61H1-33.003(1) (a) & (b), F.A.C.

24. Laura is a Certified Public Accountant Ethics Course Instructor. How long must Laura have worked as a Certified Public Accountant licensed by a state or territory of the United States in order for her employer to maintain an approved status as an ethics course continuing education provider?
- A. three of the last ten years
 - B. five of the last ten years
 - C. seven of the last ten years
 - D. nine of the last ten years

References:

61H1-33.0033(1), F.A.C.

25. Which of these is a TRUE statement regarding the duration of the status of CPA ethics course providers?
- A. Providers must reapply for approval at least thirty (30) days prior to the date of expiration of provider status to prevent a lapse in status.
 - B. Providers must reapply for approved provider status at the end of each biennium.
 - C. The Board of Accountancy shall notify Certified Public Accountant ethics course providers at least sixty (60) days prior to the date of expiration of their status.
 - D. Continuing education providers are approved ONLY for the biennium during which their application was received and approved.

References:

61H1-33.00341(1), F.A.C.

THE END

THIS IS THE LAST PAGE OF THE EXAMINATION.
YOU MAY GO BACK AND RECHECK YOUR WORK.

**Florida Accountancy
Laws and Rules
Examination
2007**

Form A